

AFFORDABLE HOUSING OBJECTIVES

OBJECTIVE #1:

Preserve affordable rental housing, and enhance access for very low, low and moderate-income renters.

Number of Households to be Served:

In FY2004, the City of Cambridge will seek to preserve expiring use units in 3 buildings that are approaching the end of their affordability restriction terms. The properties include the Fogerty Building with 17 units, the Mount Auburn Apartments with 94 units, and the Church Corner Development with 23 units. Over 200 tenants will avoid being displaced, while 134 affordable units will be saved from being converted to the private market. In addition, approximately 10 units will be preserved through investor owned units set aside as affordable under the CNAHS multifamily rehab program; and 55 units through the multifamily owner-occupied Home Improvement Program (HIP). The City anticipates preserving a total of 199 units through these three programs. Although the CDBG and HOME programs allow assistance to households with annual incomes of up to 80% of area median income, a substantial proportion of rental units assisted will be rented to tenants with incomes at or below 60% of area median income. In FY2003, Homeowner's Rehab Inc., acquired CAST, an expiring use building and preserved 42 family-sized units. Rehabilitation work will be on going during FY2004. (Note: These goals are based on the Community Development Department's FY2004 production benchmarks).

Through the development of the **Neighborhood Revitalization Strategy** (NRS) the housing non-profits anticipate stabilizing income eligible households within the NRS area by assisting **16** rental units with household incomes of up to 120% of median area income and **18** units with household incomes of up to 80% of area median income.

Expected Resources:

Federal Funds

AmeriCorps – Mass Service Alliance
Community Development Block Grant Program
HOME Program
Lead Safe Cambridge
Section 108 Loan Guarantee Program
Section 8 Certificates and Vouchers
YouthBuild USA & HUD

State Funds

Community Preservation Act: State & Locally Raised Funds
Department of Housing and Community Development: Housing Stabilization Funds
Department of Housing and Community Development: State HOME
Low Income Housing Tax Credits
Urban Development Action Grant (UDAG)

Local Funds

Cambridge Affordable Housing Trust
 CNAHS Multifamily Rehabilitation Program
 Home Improvement Program (HIP)
 Harvard University 20/20 Loan Program
 Neighborhood Reinvestment Corporation
 Private Lenders

Program & Services	Outputs	Outcomes
Preserve affordable rental housing and improve access for very low and low-mod income households through the Expiring Use Program , the Home Improvement Program (HIP) and the CNAHS Multi-Family Rehab. Program .	Provide financial support through low interest rehab loans and technical assistance for the acquisition and rehabilitation of existing buildings and work with tenants and other concerned parties to address long-term concerns of housing at risk of losing affordability.	1. Increase Financial Stability: stable and predictable rent 2. Better Home: more room, higher quality 3. Increase in Neighborhood Pride: increase in sense of community along with commitment to the community.

Strategies/Resources:

Cambridge Affordable Housing Trust: The City established the Cambridge Affordable Housing Trust in 1988 to promote, preserve, and create affordable housing. Since 1995, Cambridge has made significant contributions to increasing affordable housing through its CITYHOME Initiative which to date has received over \$33.95 million in City funds. The Trust lends these funds to local nonprofit housing development organizations to develop affordable housing. The Trust also funds comprehensive first-time homebuyer programs operated by the City. An additional \$7.2 million will be requested for FY2004. CITYHOME is comprised of several components, including nonprofit acquisition of multifamily buildings and incentives for private owners.

Community Development Block Grant Program: The City of Cambridge is an entitlement City that annually receives a direct allocation of CDBG funds that can be used to fund a variety of activities, which includes economic development, design and construction oversight of parks, playground renovations, housing services, and housing development. The majority of the City's CDBG funds are used for housing development activities and services. Housing development activities include acquisition, rehabilitation, and new construction of affordable housing by non-profit housing development agencies in Cambridge. CDBG funds are also used to fund a variety of housing services and activities, including case management, tenant and landlord mediation services,

homelessness prevention and other services for the homeless. Cambridge expects to receive \$3,878,000 in CDBG funds for FY2004.

Community Preservation Act ~ State & Locally Raised Funds: The Community Preservation Act is a new tool for communities to preserve open space, historic sites, and affordable housing. Signed into legislation by Governor Cellucci on September 14, 2000, the Community Preservation Act (CPA) is a local option that enables communities to establish a municipal Community Preservation Fund by local referendum. Monies collected for this fund are raised from a surcharge of up to 3% on local property taxes. Cambridge adopted the Act at the 3% surcharge level in fall 2001 and has since been awarded matching funds through the states competitive process. The City's Affordable Housing Trust anticipates CPA funds will increase its annual budget to approximately \$7.2 million. This will enable the City to maintain its production and ability to raise funds from other sources including federal, additional state, local, and private sources. The City's Affordable Housing Trust will utilize its CPA funds to create and preserve affordable housing.

CNAHS Multi-Family Rehab Program: The Cambridge Neighborhood Apartment Housing Services (CNAHS), a subsidiary of Homeowner's Rehab Inc., administers a Multi-Family Rehab Program which provides technical assistance, and financial support to owners of investment property. Funded through the Cambridge Affordable Housing Trust, Block Grant and private sources, this program supports moderate levels of rehabilitation for owners of investment properties with four or more units. In exchange for financial assistance given for rehabilitation, units assisted are set-a-side as affordable to house low and moderate income households. Loans are made from a reduced interest rate loan pool that has been capitalized by a consortium of local banks.

Expiring Use Program ~ Low-Income Housing Preservation: The Community Development Department (CDD) provides technical assistance to owners and non-profit organizations; and works with tenants and other concerned parties to address the long-term concerns of housing developments at risk of losing their affordability. The City also provides funds to a local non-profit, the Cambridge Economic Opportunity Committee (CEOC), to hire a Tenant Organizer who works directly with those living in buildings whose affordability restrictions are coming to term. In FY2004, the City will continue to work to preserve three expiring use properties. They include the Fogerty Building with 17 units, the Mount Auburn Apartments with 94 units, and the Church Corner Development with 23 units. In addition, it will continue to identify other at risk buildings and work with tenants and owners to preserve long-term affordability.

Harvard University 20/20/2000 Initiative: In the fall of 1999, Harvard University announced the 20/20/2000 program. Through this initiative, Harvard provided \$10 million to the City for affordable housing development. Of these funds, \$6 million have been disbursed to the Affordable Housing Trust and \$4 million will be channeled through two non-profit groups to fund affordable housing projects in Cambridge. Currently, the Trust is using the funds to provide low-interest loans for construction and permanent financing for the development of affordable housing units. In FY2004, Just A Start Corporation, a local non-

profit will receive \$550,000 from this fund to develop 13 affordable units on Scouting Way in Cambridge. The Cambridge Housing Authority will also develop 21 units on Prospect Street in Cambridge with \$450,000 from the 20/20/2000 program.

HOME Investment Partnership Program: The City of Cambridge is a participating jurisdiction that receives HOME entitlement funds that assist in carrying out the City's housing strategies. These housing strategies include providing loans to support the acquisition, new construction, and rehabilitation of eligible affordable rental and homeownership housing units. Since 1993, over 609 HOME-assisted affordable rental and homeownership units have been created through funding from the City's entitlement HOME funds. These funds have also leveraged other public and private funds to help make new projects feasible. Cambridge expects to receive \$1,180,327 in HOME funds for FY2004.

Home Improvement Program (HIP): Cambridge's Home Improvement Program (HIP) gives technical assistance and reduced rate loans to low-income owners of one-to-four family buildings. Funded primarily through CDBG and revolving loans, the program is operated by two agencies, Just-A-Start Corporation, and Homeowner's Rehab Inc., under contract with the Community Development Department.

Incentive Zoning: The Incentive Zoning Ordinance requires that non-residential developers that require a Special Permit which authorizes an increase in the permissible density or intensity of a particular use, mitigate the impact of their development through a contribution to the Affordable Housing Trust of \$3.28 per square foot. The City is currently seeking City Counsel's approval to increase the rate to \$7.83 per square foot after completing a recent study that re-evaluated the Incentive Zoning program. In FY 2003, Cambridge received \$800,000 in linkage payments. The Community Development Department anticipates that the City will receive housing contribution payments exceeding \$2,500,000 over the next 5-7 years. Production in the Incentive Zoning program is subject to private developer activity throughout the City.

Inclusionary Zoning: In March 1998, the Cambridge City Council passed an Inclusionary Zoning Ordinance that requires the developer of any new or converted residential development with ten or more units to provide 15% of the total number of units to the City as affordable units. The Community Development Department monitors compliance with this ordinance. Housing staff works with private developers to design and implement the marketing, and sale or leasing of units to low-income Cambridge residents. The City has secured 129 affordable units to date. Production in the Inclusionary Zoning program is subject to private developer activity throughout the City. In FY2004, 18 homeownership units for 1 to 6 person households will be marketed through this program.

Lead-Safe Cambridge: In 1994, Cambridge first received a grant through HUD's Office of Lead Hazard Control. This program is a comprehensive deleading assistance program aimed at landlords who rent to low-income families with children under the age of six. The educational component of the program is designed to further decrease the likelihood

of childhood lead poisoning. These funds resulted in the deleading of 221 affordable housing units. The City received additional grants in 1997 and 1999 to continue its lead hazard control activities. The 1997 funds resulted in the deleading of 108 affordable units. The 1999 funds will create another 135 affordable lead-safe housing units.

Low Income Housing Tax Credits: The Low Income Housing Tax Credit Program (LIHTC) targets construction, acquisition, and/or substantial rehabilitation of low-income rental housing, as well as special needs housing and low-income housing preservation. This federal program, which is operated by the Massachusetts Department of Housing and Community Development (DHCD), was created by the federal Tax Reform Act of 1986, and awards federal tax credits to investors in low-income housing. The City supports non-profit application as appropriate.

Nonprofit Acquisition & Development of Housing: Cambridge will continue to provide major financial support and technical assistance for the acquisition of existing buildings and the development of new units by nonprofit or public housing organizations. These organizations will operate the buildings on a nonprofit basis, invest over time in capital improvements, and guarantee access, upon turnover, for extremely low and low-income households through the use of long-term deed restrictions. CASCAP also operates the Affordable Small Apartment Program (ASAP) which develops and constructs studio and one-bedroom apartments for single person households.

Private: Local private lenders and foundations have also provided funds to support the preservation and creation of affordable housing in Cambridge.

Section 108 Loan Grantee Program Funds: Section 108 loan guarantees are used for activities that meet national CDBG objectives which include (1) benefit to low- and moderate-income families; (2) prevent or eliminate slums or blight; or (3) to meet other urgent community development needs. Eligible activities through this program include property acquisition; rehabilitation of publicly owned property; housing rehabilitation; economic development activities; acquisition, construction, reconstruction, etc. These funds preserve and create affordable housing for special populations.

Section 8 Project-Based Certificates: Section 8 Project-Based Certificates are intended to provide subsidy tied to a specific apartment that needs rehabilitation. In exchange for the long-term commitment of rental subsidy, the owner agrees to lease these units to extremely low and low-income households. The City's nonprofit housing development organizations and the Cambridge Housing Authority work closely to create Project-Based Section 8 units that are affordable to extremely low and low-income households.

State Affordable Housing Trust: The Massachusetts Affordable Housing Trust Fund (AHTF) is designed to provide resources to create or preserve affordable housing throughout the state for households whose incomes are not more than 110% of the area median income, as determined by the U.S. Department of Housing and Urban Development (HUD). Up until recently the AHTF was funded at \$20,000,000 per year for Five-Years (State Fiscal Years 2001 – 2005) from the state's General Fund and was

not subject to on-going appropriations. Massachusetts newly elected Governor, has initiated program changes which eliminate the entire \$20 million in trust funds that would have been provided in FY04. However, the Governor has filed a bond bill to provide \$20 million in new authorization that would go to the trust fund, and increase DHCD's bond volume cap so that other bond funded housing programs are not negatively impacted. The City will support applications for state Trust funds from qualified nonprofits in FY 2004, and support CHAPA in its request to the Legislature to restore funds that were eliminated from the AHTF in FY2003 and 2004.

State Programs: The Housing Innovations Fund (HIF), Consolidated Improvement Preservation Fund (CIPF), Facilities Consolidation Fund (FCF), and Housing Stabilization Fund Program (HSF), funded through the State Department of Housing and Community Development (DHCD), support acquisition and rehabilitation of affordable rental properties. The HSF program has been used successfully to support a neighborhood restoration and affordable housing rehab program in Cambridge's "East Side" and "North Side" neighborhoods. State HOME funds have also been used for the acquisition and rehabilitation of rental properties through the City's nonprofit housing providers.

OBJECTIVE #2:

Create new affordable rental units that are targeted for very low, low and moderate-income families and individuals.

Number of Households to be Served:

In FY 2004, the City of Cambridge will work to create 60 new affordable rental units through nonprofit acquisition and construction; and expect to secure an additional 80 through privately owned units set-aside under the Inclusionary Zoning program, totaling 140 new rental units for FY2004. Although CDBG and HOME programs allow assistance to households with annual incomes up to 80% of area median income, a substantial proportion of rental units assisted will be rented to tenants with incomes at or below 60% of area median. A substantial amount of other public and private funds will be leveraged to develop the units. (Note: These goals are based on the Community Development Department's FY2004 production benchmarks).

Expected Resources:

Federal Funds

Community Development Block Grant Program
HOME Entitlement Grant
Low Income Housing Tax Credits
Section 108 Loan Guarantee
Section 8 Certificates and Vouchers

State Funds

Community Preservation Act: State & Locally Raised Funds
Neighborhood Apartment Housing Services
Department of Housing and Community Development: Housing Stabilization Fund
State HOME Funds
State Affordable Housing Trust
Urban Development Action Grant (UDAG)

Local Funds

Cambridge Affordable Housing Trust
Cambridge Housing Authority Condo Acquisition Program
Cambridge Lead Safe Program
Harvard University Loan 20/20 Program
Incentive Zoning
Inclusionary Zoning
Infill Programs & Adaptive Reuse
Non-profit Acquisition & Development of Multi-family Properties
Private Lenders

Program & Services	Outputs	Outcomes
Create new affordable rental units targeted for very low and low-mod income households through the Inclusionary Zoning Program and the Nonprofits Rental Housing Development Program	Provide financial support and technical assistance for acquisition and development of new units through low-interest loans to non-profits. Private developers produce affordable units via zoning.	1. Increase Financial Stability: stable and predictable rent 2. Better Home: more room, higher quality; better location; better look to neighborhood; 3. Increase in Neighborhood Pride: increased sense of community; improved relations among different racial and ethnic groups, community activities of new households an asset to the wider community.

Strategies/Resources:

Cambridge Affordable Housing Trust: The City established the Cambridge Affordable Housing Trust in 1988 to promote, preserve, and create affordable housing. Since 1995, Cambridge has made significant contributions to increasing affordable housing through its CITYHOME Initiative which to date has received over \$33.95 million in City funds. The Trust lends these funds to local nonprofit housing development organizations to develop affordable housing. The Trust also funds comprehensive first-time homebuyer programs operated by the City. An additional \$7.2 million was been requested for FY2004. CITYHOME is comprised of several components, including nonprofit acquisition of multifamily buildings and incentives for private owners.

Community Development Block Grant Program: The City of Cambridge is an entitlement City that annually receives a direct allocation of CDBG funds that can be used to fund a variety of activities which includes economic development, design and construction oversight of parks, playground renovations, housing services, and housing development. The majority of the City's CDBG funds are used for housing development activities and services. Housing development activities include acquisition, rehabilitation, and new construction of affordable housing by non-profit housing development agencies in Cambridge. CDBG funds are also used to fund a variety of housing services and activities, including case management, tenant and landlord mediation services, homelessness prevention and other services for the homeless. Cambridge expects to receive \$3,878,000 in CDBG funds for FY2004.

Community Preservation Act: State & Locally Raised Funds: The Community Preservation Act is a new tool for communities to preserve open space, historic sites, and affordable housing. Signed into legislation by Governor Cellucci on September 14, 2000, the Community Preservation Act (CPA) is a local option that enables communities to establish a municipal Community Preservation Fund by local referendum. Monies collected for this fund are raised from a surcharge of up to 3% on local property taxes. Cambridge adopted the Act at the 3% surcharge level in fall 2001 and has since been awarded matching funds through the states competitive process. The City's Affordable Housing Trust anticipates CPA funds will increase its budget to approximately \$7.2 million. This will enable the City to maintain its production and ability to raise funds from other sources including federal, additional state, local, and private sources. The City's Affordable Housing Trust will utilize its CPA funds to create and preserve affordable housing.

Condo Acquisition Program: The Cambridge Housing Authority (CHA) operates a condo acquisition program. Under this program, condominiums are purchased by the CHA and used as scattered-site affordable rental units for low-income tenants.

Harvard University 20/20/2000 Initiative: In the fall of 1999, Harvard University announced the 20/20/2000 program. Through this initiative, Harvard provided \$10 million to the City for affordable housing development. Of these funds, \$6 million have been disbursed to the Affordable Housing Trust and \$4 million will be channeled through two non-profit groups to fund affordable housing projects in Cambridge. Currently, the Trust is using the funds to provide low-interest loans for construction and permanent financing for the development of affordable housing units. In FY2004, Just A Start Corporation, a local non-profit will receive \$550,000 from this fund to develop 13 affordable units on Scouting Way in Cambridge. The Cambridge Housing Authority will also develop 21 units on Prospect Street in Cambridge with \$450,000 from the 20/20/2000 program.

HOME Investment Partnership Program: The City of Cambridge is a participating jurisdiction that receives HOME entitlement funds that assist in carrying out the City's housing strategies. These housing strategies include providing loans to support the acquisition, new construction, and rehabilitation of eligible affordable rental and homeownership housing units. Since 1993, over 609 HOME-assisted affordable rental and homeownership units have been created through funding from the City's entitlement HOME funds. These funds have also leveraged other public and private funds to help make new projects feasible. Cambridge expects to receive \$1,180,327 in HOME funds for FY2004.

Incentive Zoning: The Incentive Zoning Ordinance requires that non-residential developers that require a Special Permit, which authorizes an increase in the permissible density or intensity of a particular use, mitigate the impact of their development through a contribution to the Affordable Housing Trust of \$3.28 per square foot. The City is currently seeking City Counsel's approval to increase the rate to \$7.83 per square foot after completing a recent study that re-evaluated the Incentive Zoning program. In FY 2003, Cambridge received \$800,000 in linkage payments. The Community Development

Department anticipates that the City will receive housing contribution payments exceeding \$2,500,000 over the next 5-7 years. Production in the Incentive Zoning program is subject to private developer activity throughout the City.

Inclusionary Zoning: In March 1998, the Cambridge City Council passed an Inclusionary Zoning Ordinance that requires the developer of any new or converted residential development with ten or more units to provide 15% of the total number of units to the City as affordable units. The Community Development Department monitors compliance with this ordinance. Housing staff works with private developers to design and implement the marketing, and sale or leasing of units to low-income Cambridge residents. The City has secured 129 affordable units to date. Production in the Inclusionary Zoning program is subject to private developer activity throughout the City. In FY2004, 18 homeownership units for 1 to 6 person households will be marketed through this program.

Infill Programs and Adaptive Reuse: The City of Cambridge supports the development of new affordable housing on an infill basis on appropriate City-owned sites, purchased sites, and the adaptive reuse of nonresidential buildings. These opportunities are limited by several factors: Cambridge is a densely built-up city with few vacant sites, vacant buildable sites are very expensive, there is very little unused City-owned land, and there are few opportunities to convert obsolete institutional or commercial buildings. However, as development opportunities become available, Cambridge is committed to providing financial support and/or technical assistance in their conversion to affordable rental and ownership units.

Low Income Housing Tax Credits: The Low Income Housing Tax Credit Program (LIHTC) targets construction or acquisition and substantial rehabilitation of low-income rental housing, as well as special needs housing and low-income housing preservation. This federal program, which is operated by the Massachusetts Department of Housing and Community Development (DHCD), was created by the federal Tax Reform Act of 1986, and awards federal tax credits to investors in low-income housing. As the types of projects funded with Low-income Housing Tax Credits are consistent with Cambridge housing goals, the City intends to support housing developers in their applications for credits in the coming year. The Cambridge Housing Authority anticipates receiving \$957,600 in tax credits in FY2004 to rehabilitate 21 units located on Prospect Street in Cambridge.

Nonprofit Acquisition & Development of Housing: Over the next five years, Cambridge will continue to provide major financial support and technical assistance for the acquisition of existing buildings and the development of new units by nonprofit or public housing organizations. These organizations will operate the buildings on a nonprofit basis, invest over time in capital improvements, and guarantee access, upon turnover, for extremely low and low-income households through the use of long-term deed restrictions. CASCAP also operates the Affordable Small Apartment Program (ASAP) which develops and constructs studio and one-bedroom apartments for single person households.

Private: Local private lenders and foundations have also provided funds to support the preservation and creation of affordable housing in Cambridge. They provide acquisition, rehab, and construction loans to Cambridge affordable housing projects. Non-profits anticipate needing approximately \$12 million in private financing in FY2004.

Section 108 Loan Grantee Program Funds: Section 108 loan guarantees are used for activities that meet national CDBG objectives which includes (1) benefit to low- and moderate-income families; (2) prevent or eliminate slums or blight; or (3) to meet other urgent community development needs. Eligible activities include property acquisition; rehabilitation of publicly owned property; housing rehabilitation; economic development activities; acquisition, construction, reconstruction, etc. These funds preserve and create affordable housing for special populations.

Section 8 Project-Based Certificates: Section 8 Project-Based Certificates are intended to provide subsidy tied to a specific apartment that needs rehabilitation. In exchange for the long-term commitment of rental subsidy, the owner agrees to lease these units to extremely low and low-income households. The City's nonprofit housing development organizations and the Cambridge Housing Authority work closely to create Project-Based Section 8 units that are affordable to extremely low and low-income households.

State Programs: The Housing Innovations Fund (HIF), Consolidated Improvement Preservation Fund (CIPF), Facilities Consolidation Fund (FCF), State Affordable Housing Trust, Urban Development Action Grant (UDAG), State HOME, and Housing Stabilization Fund Program (HSF), funded through the State Department of Housing and Community Development (DHCD), support acquisition and rehabilitation of affordable rental properties. The HSF program has been used successfully to support a neighborhood restoration and affordable housing rehab program in Cambridge's "East Side" and "North Side" neighborhoods. State HOME funds have also been used for the acquisition and rehabilitation of rental properties through the City's nonprofit housing providers.

OBJECTIVE #3:

Increase affordable homeownership opportunities for first-time low and moderate-income buyers.

Number of Households to be Served:

In FY 2004, the City of Cambridge anticipates creating 6 affordable homeownership units through nonprofit acquisition, construction, and rehabilitation; and 9 units through the Purchaser Assist program. Additional units are possible through the Inclusionary Zoning program. The number of homeownership units that will be created through the Inclusionary Zoning program is difficult to determine as private developers determine what type of units they produce independent of the City's wishes. The majority of first-time homebuyers purchasing units created by the City will have annual incomes between 50-80% of area medium income. While there are no restrictions on assisting buyers with lower incomes, it is more difficult for such households to obtain bank financing. Despite high land and construction costs, the City has been able to maintain a stable level of production as it attempt to identify innovative ways to provide homeownership opportunities to first-time buyers in Cambridge. *(Goals are based on the Community Development Department's FY2004 production benchmarks).*

Expected Resources:

Federal Funds

Community Development Block Grant
HOME Entitlement Grant

State Funds

Community Preservation Act: State & Locally Raised Funds
State Soft Second Loan Program & Purchaser Assist Program
State Affordable Housing Trust
State HOME: HOME Purchaser Assist Grant
Department of Housing and Community Development: Housing Stabilization Funds

Local Funds

Affordable Homeownership and Rental Services
Cambridge Affordable Housing Trust
Harvard University 20/20 Loan Program
Homebuyer Classes & Counseling
Incentive Zoning
Inclusionary Zoning
Limited Equity Resales
Private Lenders

Program & Services	Outputs	Outcomes
Create new home-ownership opportunities for income eligible first time homebuyers through the Affordable Housing Development Program, the Purchase Assist Program, Inclusionary Zoning Program and First Time Home-buyers Classes and Counseling.	Provide financial support with low interest loans and technical assistance to the non-profits for acquisition and rehabilitation; private developers produce affordable units via zoning and the City offers free homebuyer classes covering issues such as credit, finding a home, qualifying for a mortgage and the purchasing process.	1. Financial Stability: stable and predictable housing costs; equity accumulation; 2. Better Home: more space; higher quality, better location, sense of ownership, security, pride in place, confidence, sense of responsibility, self-esteem 3. Increased Sense of Community: better look to neighborhood, improvements by following other resident's positive examples, higher property values, increased hope, neighborhood pride, 4. Enhanced Awareness of Rights and Responsibilities as Community Members and Citizens

Strategies/Resources:

Affordable Homeownership and Rental Services: The City's Community Development Department (CDD) maintains a database of low and moderate-income households interested in affordable housing opportunities, and provides referrals regarding available housing units. CDD also provides marketing assistance to both nonprofit and for-profit developers and owners of affordable units assisting them with locating low-income buyers or renters. CDD also offers free homebuyer classes and counseling to Cambridge residents.

Cambridge Affordable Housing Trust: The City established the Cambridge Affordable Housing Trust in 1988 to promote, preserve, and create affordable housing. Since 1995, Cambridge has made significant contributions to increasing affordable housing through its CITYHOME Initiative which to date has received over \$33.95 million in City funds. The Trust lends these funds to local nonprofit housing development organizations to develop affordable housing. The Trust also funds comprehensive first-time homebuyer programs operated by the City. An additional \$7.2 million will be requested for FY2004.

CITYHOME is comprised of several components, including nonprofit acquisition of multifamily buildings and incentives for private owners.

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Community Preservation Act ~ State & Locally Raised Funds: The Community Preservation Act is a new tool for communities to preserve open space, historic sites, and affordable housing. Signed into legislation by Governor Cellucci on September 14, 2000, the Community Preservation Act (CPA) is a local option that enables communities to establish a municipal Community Preservation Fund by local referendum. Monies collected for this fund are raised from a surcharge of up to 3% on local property taxes. Cambridge adopted the Act at the 3% surcharge level in fall 2001 and has since been awarded matching funds through the states competitive process. The City's Affordable Housing Trust anticipates CPA funds will increase its annual budget to approximately \$7.2 million. This will enable the City to maintain its production and ability to raise funds from other sources including federal, additional state, local, and private sources. The City's Affordable Housing Trust will utilize its CPA funds to create and preserve affordable housing.

Harvard University 20/20/2000 Initiative: In the fall of 1999, Harvard University announced the 20/20/2000 program. Through this initiative, Harvard provided \$10 million to the City for affordable housing development. Of these funds, \$6 million have been disbursed to the Affordable Housing Trust and \$4 million will be channeled through two non-profit groups to fund affordable housing projects in Cambridge. Currently, the Trust is using the funds to provide low-interest loans for construction and permanent financing for the development of affordable housing units. In FY2004, Just A Start Corporation, a local non-profit will receive \$550,000 from this fund to develop 13 affordable units on Scouting Way in Cambridge. The Cambridge Housing Authority will also develop 21 units on Prospect Street in Cambridge with \$450,000 from the 20/20/2000 program.

HOME Program: The City of Cambridge is a participating jurisdiction that receives HOME entitlement funds that assist in carrying out the City's housing strategies. These housing strategies include providing loans to support the acquisition, new construction, and rehabilitation of eligible affordable rental and homeownership housing units. Since 1993, over 609 HOME-assisted affordable rental and homeownership units have been created through funding from the City's entitlement HOME funds. These funds have also